

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM REQUEST FOR QUOTE

Contract No: YH08-0093

Type of Solicitation: Request for Quotations

Issued by: AHCCCS
Contracts and Purchasing
701 E. Jefferson Street – MD 5700
Phoenix, AZ 85034

Subject of Solicitation: Consultant to evaluate
Community Pharmacy
readiness for the AHCCCS
E-Prescribing initiative

Term of Agreement: July 7, 2008 through
June 30, 2009

I. SOLICITATION

A quotation for providing the services described herein will be received at the issuing office (above) until 3:00 P.M. MST on July 3, 2008. Questions may be directed to: Pat Watkinson, Contracts and Purchasing, Phone: (602) 417- 4538 E-mail: Pat.Watkinson@azahcccs.gov ; Fax: (602) 417-5957. Late submissions will not be accepted.

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2. Read this entire document so you understand the terms and conditions of any purchase order that may be awarded to you.
 - 2.1 The following helps you understand what will be expected of you:
 - Pages # 5 - 9 contain the scope of work and other requirements.
 - Page # 10 - 14 contains the instructions for submission.
 - 2.2 The following are the pages required to be responded to and submitted as your response. For your proposal, submit as instructed:
 - Page # 2. Provide all information required on the Offer and Acceptance. **Be sure to sign the Offer** and Acceptance, or your response will not be accepted.
 - Page # 3-4. Enter your pricing and complete form.
 - Pages # 15 -16. Provide information requested in representations, certifications and other statements of offerors.
3. Please send your response by fax, mail or courier. E-mail submissions will only be accepted if a scanned electronic signature on the Offer and Acceptance is included with your submission. All offers must be received prior to 3:00 P.M. MST Thursday, July 3, 2008 and sent to: Pat Watkinson, Contracts Manager, e-mail: Pat.Watkinson@azahcccs.gov **Late submissions will not be accepted.**

AHCCCS
Contracts and Purchasing Section, MD 5700
701 East Jefferson
Phoenix, Arizona 85034

OFFER (Must be fully completed by Offeror and signed to assure it is a valid offer)

The undersigned Offeror hereby agrees, if this offer is accepted within 90 days of the offer due date, to provide all services in accordance with the terms and requirements stated herein, including all applicable attachments, amendments, and negotiations (if any).

NAME OF OFFEROR: _____

PHONE: _____

ADDRESS: _____

CITY/STATE: _____

ZIP CODE: _____

NAME OF PERSON AUTHORIZED TO SIGN OFFER (print):

TITLE: _____

OFFEROR'S SIGNATURE (must be signed now):

DATE: _____

AWARD (To be completed by AHCCCS)

Your Offer is hereby accepted. You are now bound to sell materials and services based upon this solicitation, including all terms, conditions, specifications, amendments, etc., and the Vendor's Quotation as accepted by the State.

This agreement shall henceforth be referred to as contract number YH08-0089. You are cautioned not to commence any billable work or provide any material or service under this agreement until you receive a signed copy.

Awarded this _____ day of _____ 20

Michael Veit, as AHCCCS Contracting Officer and not personally

PRICING AND PAYMENT**1. METHOD OF COMPENSATION**

The Contractor will be reimbursed based at the rates established by the contract. The reimbursement ceiling for services provided during the term of this contract shall not exceed the rate bid for services requested.

2. RATES

The rate of payment for services shall not exceed \$100.00 per hour and the contract shall not exceed \$50,000 or a term of five years whichever comes first.

The offeror bids to perform the services described in this document for _____ per hour

3. INVOICES

By the twentieth (20) day of each month following provision of services the Contractor shall submit invoices to AHCCCS for work that has been performed in accordance with this agreement's terms and conditions and accepted by AHCCCS. The Contractor shall submit two (2) copies of the invoices. The Contractor's invoices shall be reference AHCCCS's contract number and be submitted to:

AHCCCS
Accounts Payable, MD 5400
701 E. Jefferson
Phoenix, Arizona 85034

Each invoice shall provide the following information, as applicable:

- AHCCCS's contract number
- description of services performed
- name of AHCCCS contact person for this agreement
- date(s) and time(s) services were performed

Each invoice shall have adequate supporting documentation attached to allow proper expense reimbursement.

4. PAYMENTS

AHCCCS will pay the Vendor within thirty (30) working days of receipt of Vendor's invoice for work performed, provided it includes required information and supporting documentation. Failure to submit invoices within ninety (90) working days after providing services may result in payment denial by AHCCCS.

5. UNACCEPTED WORK

Any work performed by the Contractor that AHCCCS does not accept shall not be compensated by AHCCCS. At AHCCCS's option, the Contractor may be required to redo substandard work to bring it into conformance with acceptable standards.

PRICING AND PAYMENT**6. MAILING OF PAYMENTS**

The vendor shall state below, the address to which payment should be mailed.

(Contact Person's Name/Title)

(Company Name)

(Street)

(City & State & Zip Code)

7. The vendor shall provide information requested below:

a. Arizona Transaction (sales) Privilege Tax License
Number: _____

b. Federal Employer Identification Number or SSN: _____

8. Company representative to contact for administration purposes:

Name/Title

Street

City / State / Zip Code

Telephone Number Fax Number

E-mail Address

**SCOPE OF WORK, QUALIFICATIONS, EVALUATION FACTORS,
AND SPECIAL PROVISIONS**Scope of Work1 Project Description

E-Prescribing is the use of healthcare technology to improve prescription accuracy, increase patient safety and reduce costs, as well as enable secure, bi-directional, electronic connectivity between prescriber practices and pharmacies. This is achieved by providing prescribers with a secure means of electronically accessing up-to date health plan formulary, patient eligibility and medication history at the point of care and securely transmitting the prescription electronically into the pharmacy's computer system. The result is more efficient prescribing processes and more accurate and legible medication orders, all of which lead to reduced prescribing errors and less manual intervention and rework at the pharmacy.

Establishing an efficient and effective interoperable electronic prescribing system is a top priority for AHCCCS and the State of Arizona. It is essential to ensure the privacy and security of protected health information in the electronic environment in order to create the trust of our stakeholders and support for the e-prescribing initiative. It is also essential to provide prescribers with access to information, within the scope of protected health information, to improve care and achieve efficiencies.

AHCCCS will facilitate connectivity between healthcare entities to allow appropriate point-of-care patient information to be accessed by health care providers and prescribers for the purposes of electronic prescribing to drive improvement in healthcare quality, safety, and efficiencies. Prescription data will be collected into a central repository and the technical infrastructure will use NCPDP standards for communicating prescriptive information.

The AHCCCS e-prescribing mission is to advocate, facilitate and evaluate electronic prescribing with all stakeholders and to create an oversight process that ensures appropriate medication use that benefits the AHCCCS beneficiaries. Consumers, healthcare providers, prescribers and other stakeholders, as appropriate, will have ready access to timely, relevant, reliable and secure information through an interoperable electronic system to support the improvement of medication safety and cost-efficiencies.

Our approach for driving this change is to engage the multiple, diverse stakeholders within the State of Arizona healthcare system, to develop workable solutions for accelerating the adoption of e-prescribing, and to promote and meet common quality, safety and efficiency goals. To facilitate this approach, we will:

- review, evaluate, develop and facilitate models to advance the e-prescribing goals,
- engage those who can effect and those who are impacted by change,
- develop and facilitate the dissemination of resources and tools to support implementation, and
- educate and advocate for change.

**SCOPE OF WORK, QUALIFICATIONS, EVALUATION FACTORS,
AND SPECIAL PROVISIONS****2. DUTIES**

- 2.1. Develop a Community Pharmacy workgroup
 - a. Establish communication with and between all entities
 - b. Evaluate of each provider's readiness to participate in the e-prescribing initiative
 - c. Provide all provider responses to the Work Group Questionnaire
 - d. Documentation of provider system readiness
- 2.2 Develop business and functional e-prescribing system requirements
- 2.3 Assess and evaluate e-prescribing system gaps
- 2.4 Perform other tasks and duties as assigned
- 2.5 Meet with the e-prescribing project manager / director as required.
- 2.6 Serve as consultant in all matters concerning e-prescribing and concerning community pharmacies.

3. QUALIFICATIONS REQUIRED:

- 3.1 Pharmacist
- 3.2 Experience working with Community Pharmacies

4. EVALUATION FACTORS

The evaluation factors are as follows:

- 4.1 The ability to fulfill the requirements stated in the RFQ, as indicated by resume or curriculum vita and answer to questions
- 4.2 Price
- 4.3 References

5. SPECIAL PROVISIONS

- 5.1 Arbitration The Parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).
- 5.2 Audits and Inspections: Pursuant to A.R.S. 35-214 at any time during the term of this Contract, and five (5) years thereafter, the Contractor's or any subcontractor's

**SCOPE OF WORK, QUALIFICATIONS, EVALUATION FACTORS,
AND SPECIAL PROVISIONS**

books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontracts.

- 5.3 Cancellation for Conflict of Interest: Pursuant to A.R.S. 38-511, the State may cancel this contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time, while the Contract or an extension of the Contract is in effect, an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation, unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.
- 5.4 Federal Immigration and Nationality Act By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV. The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.
- 5.5 Non-Discrimination: The Contractor shall comply with State Executive Order No. 99-4 and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act.
- 5.6 Offshore Performance of Work Prohibited Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

**SCOPE OF WORK, QUALIFICATIONS, EVALUATION FACTORS,
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- 5.7 Records: Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other “records” relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records at no cost to the State.
- 5.8 Third Party Antitrust Violations: The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this Contract.
- 5.9 Incorporation by Reference: The Uniform Terms and Conditions for Contracts with the State of Arizona (ver. 7.0 effective 05/01/2003) are incorporated by reference, in their entirety, into this solicitation and are available from the agency Procurement Office or via the internet at: <http://www.azdoa.gov/spo/documents-forms>
- 5.10 Insurance: The Risk Management Department of the State of Arizona requires insurance in the coverage amounts and in the manner described in Attachment A to this Request for Quotations. Attachment A is part of this contract.
- 5.11 Negotiations: If negotiations are conducted, negotiations shall be conducted with all offerors determined to be in the competitive range or reasonably susceptible for award. Offerors may revise offers based on negotiations provided that any revision is confirmed in writing. Award may be made without negotiations; therefore, offers should be submitted complete and on most favorable terms.
- 5.12 Relationship of Parties: The Contractor under this contract is an independent contractor. Neither party to this contract shall be deemed to be the employee or agent of the other party to the contract.
- 5.13 Right to Extend: The initial term of the agreement is July 7, 2008 or the date of award, whichever is later through June 30, 2009. The anticipated start date is July 7, 2008. Subject to the availability of funds and acceptable Vendor’s performance, AHCCCS shall have the right to extend this agreement for additional periods with the Vendor’s consent. The total term of the agreement shall not exceed five years or \$50,000. This contract shall terminate when either limit is reached.
- 5.14 Termination for Convenience: The Contracting Officer reserves the right to terminate the contract in whole or in part at any time when in the best interests of AHCCCS without penalty or recourse. The Contracting Officer shall give written notice by certified mail, return receipt requested, to the Vendor of the termination at least ninety (90) days before the effective date of the termination. In the event of termination under this paragraph, all documents, data and reports prepared by the Vendor under the contract shall become the property of and be delivered to the

**SCOPE OF WORK, QUALIFICATIONS, EVALUATION FACTORS,
AND SPECIAL PROVISIONS**

Contracting Officer. The Vendor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R 2-7-701 shall apply.

- 5.15 Business Associate: The Vendor is a Business Associate of AHCCCS and, as such, the vendor, its employees and subcontractors are subject to the Business Associates Addendum, Attachment B, to this Contract.

UNIFORM INSTRUCTIONS TO OFFERORS**1. Definition of Terms Used in These Instructions.**

As used in these instructions, the following terms have the following meaning:

- 1.1. “Attachments” means all items required of the Offeror as a part of the Offer.
- 1.2. “Days” means calendar days unless otherwise specified.
- 1.3. “Exhibits” means all items attached as a part of the Solicitation.
- 1.4. “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.5. “Offer” means bid, proposal or quotation.
- 1.6. “Offeror” means a vendor who responds to a Solicitation.
- 1.7. “Procurement Officer” means the person duly authorized to enter into and administer Contracts, agreements and make written determinations with respect to the Contract or his or her designee.
- 1.8. “Solicitation” means an Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
- 1.9. “Subcontract” means any Contract, express or implied, between the Vendor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Agreement.
- 1.10. “State” means the State of Arizona and Department or Agency of the State that executes the Agreement.

2. Preparation of Quotation.

- 2.1. Forms. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation shall be legible and contain the same information requested on the forms.
- 2.2. Typed Offer. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after the specified due time and date, except as otherwise provided under applicable law.
- 2.3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror’s intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.

UNIFORM INSTRUCTIONS TO OFFERORS

- 2.4 Unit Price Prevails. Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 2.5 Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time nor shall it give rise to any Agreement claim.
- 2.6 Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.

3. Inquiries.

- 3.1 Solicitation Contact Person. Any inquiry related to a Solicitation shall be directed solely to the Solicitation Contact Person: Pat Watkinson, Contracts Manager, at 602-417-4538 or by e-mail (preferred) at Pat.Watkinson@azahcccs.gov. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
- 3.2 Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 3.3 Timeliness. Any inquiry shall be submitted as soon as possible. If received on a work day within two days of due date the inquiry not being considered for a Solicitation amendment.
- 3.4 No Right to Rely on Verbal Responses. Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation amendment. An Offeror may not rely on verbal responses to its inquiries.
- 3.5 Solicitation Amendments. The Solicitation shall only be modified by written amendment, signed by the Procurement Officer.
- 3.6 Standards. Any requests for or inquiries regarding standards referenced in the Solicitation shall be referred to the Solicitation contact person.

4. Submission of Offer.

- 4.1 Quote. Each quote shall be submitted to the submittal location identified in this Solicitation.

UNIFORM INSTRUCTIONS TO OFFERORS

- 4.2 Solicitation Amendments. Each Solicitation amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation amendment may result in rejection of the offer.
- 4.3 Late Offers. An offer submitted after the exact offer due date and time shall be rejected.
- 4.4 Offer Amendment or Withdrawal. An offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 4.5 Public Record. Under applicable law, all Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after award of purchase order is made, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall stamp as confidential that information and submit a statement with its Offer detailing the reasons that information should not be disclosed. The State shall make a determination pursuant to the Arizona Procurement Code.

5. Offer Acceptance Period.

An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days after the Offer due dates that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.

6. Taxes.

- 6.1 Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 6.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from his obligation to remit taxes. Offerors are required to provide their Arizona Transaction Privilege Tax Number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Price Sheet.
- 6.3 Evaluation of Offers. All applicable taxes stated in the Offer will be considered by the State when determining the lowest bid or evaluating proposals; except when an Offeror is located outside of Arizona and is not subject to a transaction privilege or use tax of a political subdivision of this State. At all times,

UNIFORM INSTRUCTIONS TO OFFERORS

payment of taxes and the determination of applicable taxes and rates are the sole responsibility of the Vendor.

- 6.4 Identification of Taxes in Offer. If Arizona resident Offerors do not indicate taxes as a separate item in the Offer, the State will conclude that the price(s) offered includes all applicable taxes.

7. Cost of Offer Preparation. The State shall not reimburse any Offeror the cost of responding to a solicitation.

8. Certifications, Disclosure and Disqualification.

- 8.1 Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official Agreement form, the Offeror certifies that:

8.1.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and

8.1.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.

- 8.2 Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

- 8.3 Disqualification. The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.

9. Number or Types of Awards. Where applicable, the State reserves the right to make multiple awards or to award a Purchase order/agreement by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to the State. If the Procurement Officer

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determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" offers shall be rejected.

- 9.1 Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
- 9.2 Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 - 9.2.1 Waive any minor informality;
 - 9.2.2 Reject any and all Offers or portions thereof; or
 - 9.2.3 Cancel a Solicitation.
- 9.3 Inception. An Offer does not constitute an agreement nor does it confer any rights on the Offeror to the award of an agreement. An agreement is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

10. Solicitation Order of Precedence.

In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:

- 10.1 Special Provisions;
- 10.2 Uniform Terms and Conditions;
- 10.3 Statement or Scope of Work;
- 10.4 Specifications;
- 10.5 Exhibits;
- 10.6 Special Instructions to Offerors; and
- 10.7 Uniform Instructions to Offerors.

11. Persons with Disabilities.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

1. OFFEROR'S QUALIFICATIONS

- 1.1 Attach a copy of your resume or curriculum vita.
- 1.2 Attach a brief description of your experience with Community pharmacies. This is to supplement 2.1
- 1.3 Attach a detailed description of how the offeror will complete III Scope of Work and present what is required in VI Specified Deliverable Items, within the frame work of this project.

2. FIRM'S REFERENCES

Attach a list of at least three (3) professional references, which would demonstrate the offeror possesses an understanding and the experience in providing the required service. References should be verifiable and be able to comment on the offeror's related experience. Please provide the following information for references: company name; contact person's name; address; phone number; and start date and completion date of work. These references may be checked, so insure all information is current, accurate and prior permission to use is obtained from each reference.

3. OFFEROR'S ORGANIZATION SPECIFICATIONS

Instructions: Complete each item, using attachments where necessary. Attachments shall indicate the item number and heading being referenced as it appears below. Failure to make full and complete disclosure may result in the rejection of your proposal as unresponsive.

- | | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| 3.1. <u>Administrative Agent.</u> Is the Offeror acting as an administrative agent for any other agency, organization, or government? IF YES, ATTACH A DESCRIPTION OF THE RELATIONSHIP IN BOTH LEGAL AND FUNCTIONAL ASPECTS. | | |
| 3.2. <u>Civil Rights Compliance Data.</u> Has any Federal or State agency ever made a finding of non-compliance with any relevant civil rights requirements with respect to the Offeror's business activities? IF YES, ATTACH AN EXPLANATION. | | |

**REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF
OFFERORS**

- 3.3 Prior Felony Conviction(s) Has the Offeror, its major stockholders, controlling interest, or its officers been the subject of criminal investigations or prosecutions or convicted of a felony? IF YES, ATTACH AN EXPLANATION.
- 3.4 Suspension Or Exclusion From Federal Program(s). Has the Offeror ever been suspended or excluded from any Federal Government program for any reason? IF YES, ATTACH AN EXPLANATION.
- 3.5. Have any licenses ever been denied, revoked or suspended or provisionally issued within the past five years? IF YES, ATTACH AN EXPLANATION.

ATTACHMENT A: Insurance Specifications and Indemnification Clause

INDEMNIFICATION CLAUSE:

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain, until all of their obligations, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

1. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

- 1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

• General Aggregate	\$1,000,000
• Products – Completed Operations Aggregate	\$ 500,000
• Personal and Advertising Injury	\$ 500,000
• Blanket Contractual Liability – Written and Oral	\$ 500,000
• Fire Legal Liability	\$ 25,000
• Each Occurrence	\$ 500,000

ATTACHMENT A: Insurance Specifications and Indemnification Clause

1.2 The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".

1.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.4 Policy shall be endorsed to include coverage for Broad Form Property Damage.

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$ 500,000

- a. The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor".

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 100,000
Disease – Each Employee	\$ 100,000
Disease – Policy Limit	\$ 100,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

4. Professional Liability (Errors and Omissions Liability)

Each Claim	\$ 500,000
Annual Aggregate	\$1,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an

ATTACHMENT A: Insurance Specifications and Indemnification Clause

extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- b. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
 2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to: AHCCCS Contracts, 701 E. Jefferson St., MD-5700, Phoenix, AZ 85034. The State of Arizona contract number and description shall be noted and notice shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to: AHCCCS Contracts, 701 E. Jefferson St., MD-5700, Phoenix, AZ 85034. The State of Arizona contract number and description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

ATTACHMENT A: Insurance Specifications and Indemnification Clause

- F. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

ATTACHMENT B: BUSINESS ASSOCIATE AGREEMENT

This Addendum is made part of this Contract between the Arizona Health Care Cost Containment System ("AHCCCS") and the Contractor, referred to as "Business Associate" in this addendum.

AHCCCS and Business Associate agree that this Contract shall comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in Title 45, Parts 160 and 164 of the Code of Federal Regulations (the "CFR"), as amended. In the event of conflicting terms or conditions, this Addendum shall supersede the Contract.

1. Definitions. Capitalized terms not otherwise defined in the Contract shall have the meanings given to them in Title 45, Parts 160 and 164 of the CFR, as amended, and are incorporated herein by reference.
2. Use and Disclosure of Protected Health Information. Business Associate shall use and/or disclose Protected Health Information ("PHI") only to the extent necessary to satisfy Business Associate's obligations under the Contract.
3. Prohibition on Unauthorized Use or Disclosure of PHI. Business Associate shall not use or disclose any PHI received from or on behalf of AHCCCS, except as permitted or required by the Contract, as required by law or as otherwise authorized in writing by AHCCCS. Business Associate shall comply with:
 - (a) Title 45, Part 164 of the CFR, as amended;
 - (b) State laws, rules and regulations applicable to PHI not preempted pursuant to Title 45, Part 160, Subpart B of the CFR, as amended, or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended; and
 - (c) AHCCCS's health information privacy and security policies and procedures.
4. Business Associate's Operations. Business Associate may use PHI it creates or receives for or from AHCCCS only to the extent necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities. Business Associate may disclose such PHI as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities only if:
 - (a) The disclosure is required by law; or
 - (b) Business Associate obtains reasonable assurance, evidenced by written contract, from any person or organization to which Business Associate shall disclose such PHI that such person or organization shall:
 - (i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and
 - (ii) Notify Business Associate (who shall in turn promptly notify AHCCCS) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.

ATTACHMENT B: BUSINESS ASSOCIATE AGREEMENT

5. Data Aggregation Services. Business Associate may use PHI to provide Data Aggregation Services related to AHCCCS's Health Care Operations.
6. PHI Safeguards. Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical safeguards to prevent the improper use or disclosure of any PHI received from or on behalf of AHCCCS.
7. Electronic Health Information Security and Integrity. Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical security measures in compliance with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2 (d), as amended, of the United States Code and Title 45, Part 142 of the CFR, as amended, to preserve the integrity and confidentiality of all electronically maintained or transmitted Health Information received from or on behalf of AHCCCS pertaining to an individual. Business Associate shall document and keep these security measures current.
8. Protection of Exchanged Information in Electronic Transactions. If Business Associate conducts any Standard Transaction for or on behalf of AHCCCS, Business Associate shall comply, and shall require any subcontractor or agent conducting such Standard Transaction to comply, with each applicable requirement of Title 45, Part 162 of the CFR, as amended. Business Associate shall not enter into or permit its subcontractors or agents to enter into any Trading Partner Contract in connection with the conduct of Standard Transactions for or on behalf of AHCCCS that:
 - (a) changes the definition, Health Information condition or use of a Health Information element or segment in a Standard;
 - (b) adds any Health Information elements or segments to the maximum defined Health Information set;
 - (c) uses any code or Health Information elements that are either marked "not used" in the Standard's Implementation Specification or are not in the Standard's Implementation Specification(s); or
 - (d) changes the meaning or intent of the Standard's Implementation Specification(s).
9. Subcontractors and Agents. Business Associate shall require each of its subcontractors or agents to whom Business Associate may provide PHI received from, or created or received by Business Associate on behalf of AHCCCS to agree to written contractual provisions that impose at least the same obligations to protect such PHI as are imposed on Business Associate by the Contract.
10. Access to PHI. Business Associate shall provide access, at the request of AHCCCS, to PHI in a Designated Record Set, to AHCCCS or, as directed by AHCCCS, to an individual to meet the requirements under Title 45, Part 164, Subpart E, Section 164.524 of the CFR, as amended, and applicable state law. Business Associate shall provide access in the time and manner set forth in AHCCCS's health information privacy and security policies and procedures.
11. Amending PHI. Business Associate shall make any amendment(s) to PHI in a Designated Record Set that AHCCCS directs or agrees to pursuant to Title 45, Part 164, Subpart E, Section 164.526 of the CFR, as amended, at the request of AHCCCS or an Individual, and in the time and manner set forth in AHCCCS's health information privacy and security policies and procedures.

ATTACHMENT B: BUSINESS ASSOCIATE AGREEMENT

12. Accounting of Disclosures of PHI.
- (a) Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for AHCCCS to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR, as amended.
 - (b) Business Associate agrees to provide AHCCCS or an individual, in the time and manner set forth in AHCCCS's health information privacy and security policies and procedures, information collected in accordance with Section 11 above, to permit AHCCCS to respond to a request by an individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR, as amended.
13. Access to Books and Records. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from or on behalf of AHCCCS available to AHCCCS and to DHHS or its designee for the purpose of determining AHCCCS's compliance with the Privacy Rule.
14. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make the report to AHCCCS's Privacy Official not less than 24 hours after Business Associate learns of such unauthorized use or disclosure. Business Associate's report shall at least:
- (a) identify the nature of the unauthorized use or disclosure;
 - (b) identify the PHI used or disclosed;
 - (c) identify who made the unauthorized use or received the unauthorized disclosure;
 - (d) identify what Business Associate has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure;
 - (e) identify what corrective action Business Associate has taken or shall take to prevent future similar unauthorized use or disclosure; and
 - (f) provide such other information, including a written report, as reasonably requested by AHCCCS's Privacy Official.
15. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Contract.
16. Termination for Cause. Upon AHCCCS's knowledge of a material breach by Business Associate of the terms of this Addendum, AHCCCS shall:
- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate if Business Associate does not cure the breach or end the violation within the time specified by AHCCCS.
 - (b) Immediately terminate the Contract if Business Associate has breached a material term of the Contract and cure is not possible.
 - (c) If neither termination nor cure is feasible, AHCCCS shall report the violation to DHHS.

ATTACHMENT B: BUSINESS ASSOCIATE AGREEMENT

17. Return or Destruction of Health Information.
- (a) Except as provided in Section 17(b) below, upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate shall return to AHCCCS or destroy all PHI received from AHCCCS, or created or received by Business Associate on behalf of AHCCCS. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 - (b) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to AHCCCS notification of the conditions that make return or destruction not feasible. Upon verification by AHCCCS that the return or destruction of PHI is not feasible, Business Associate shall extend the protections of the Contract to such PHI and limit further uses and disclosure of PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.
18. Automatic Amendment. Upon the effective date of any amendment to the regulations promulgated by HHS with respect to PHI, the Contract shall automatically amend such that the obligations imposed on Business Associate as a Business Associate remain in compliance with such regulations.